

Remarks on Efforts To Reduce Gasoline Prices

June 22, 2022

The President. Good afternoon, everyone.

I'd like to talk to you about the actions I'm announcing to bring down gas prices. First, today I'm calling on Congress to suspend the Federal gas tax for the next 90 days, through the busy summer season—busy travel season.

Here's what that means: Every time you go to the gas station to fill your tank, the Federal Government charges an 18-cent tax per gallon of gas that you purchase and a 24-cent tax per gallon of diesel you purchase. It's a tax that's been around for 90 years.

It's important because we use it for the Highway Trust Fund to keep our highways going. But what I'm proposing is suspending the Federal gas tax without affecting the Highway Trust Fund.

And here's how we do that: With the tax revenues up this year and our deficit down over \$1.6 trillion this year alone, we'll still be able to fix our highways and bring down prices of gas. We can do both at the same time.

By suspending the 18-cent gas tax—Federal gas tax for the next 90 days, we can bring down the price of gas and give families just a little bit of relief. I call on the companies to pass this along—every penny of this 18-cents reduction—to the consumers. This is—there's no time now for profiteering.

There are a number of other proposals by Democrats in the House and the Senate, and I hope my call for action can help move those proposals forward as well. But we can also cut gas prices even more in another way.

That's why the second action I'm taking is calling on States to either suspend the State gas tax as well or find other ways to deliver some relief. State gas taxes average [another]^{*} 30 cents per gallon. Already, some States have acted.

In Connecticut and New York, the Governors have temporarily suspended their gas tax as well. In Illinois and Colorado, Governors delayed theirs to give families a bit more breathing room as well. In Minnesota, Governor Walz proposes using State budget surpluses to give households a rebate that will help them pay for gas at the pump or other essential needs.

I'm calling on more States and local Governments to take actions like these. Thanks to our historic economic recovery, which fortified State budgets that had been hurt in the pandemic, States are now in a strong position to be able to afford to take some of these actions.

Now, I fully understand that a gas tax holiday alone is not going to fix the problem, but it will provide families some immediate relief—just a little bit of breathing room—as we continue working to bring down prices for the long haul.

Third, I'm calling on the industry to refine more oil into gasoline and to bring down gas prices. Let me explain. I know my Republican friends—[laughter]—claim we're not producing enough oil and I'm limiting oil production. Quite frankly, that's nonsense.

^{*} White House correction.

Here's the truth: Just this month, America produced 12 million barrels of oil per day. That's the highest—that's higher than average under my predecessor. And I'm—we're on track to set a new record for production next year.

Plus, I've added to that supply of oil by releasing a record 1 million barrels of oil per day from what's called the Strategic Petroleum Reserve. In fact, I just led the world to coordinate the largest release of global oil reserves in history, including from other countries. In total, that's 240 million barrels to boost global supply.

And Republicans falsely claim that I'm blocking production on Federal lands. But again, that's nonsense. The industry has more approved permits for production on Federal lands than they can possibly use. That's a fact.

My administration also directed the sale of gasoline using homegrown biofuels—ethanol, E15—this summer, which will boost gasoline supplies and lower the price at thousands of gas stations across America.

And I welcome the recent announcement from what's known as the OPEC+, a group of nearly two dozen oil-producing nations, to increase global oil supply.

The bottom line is, we are setting records in terms of American energy production. We're supplementing that supply with a release from our oil reserves. So the issue isn't oil production alone; the problem is the refining of that oil into gas at the pump.

During the pandemic, some oil and gas companies shut down refining facilities. Last week, I sent a letter to the CEOs of the largest oil-refining companies asking them to work with my administration to bring refineries back online to get more gas to the pump at lower prices.

The Secretary of Energy, Jennifer Granholm, and members of my team will be meeting with many of these refining companies tomorrow. And I hope they'll come up—to the table with some real ideas and practical steps in the near term. And I'm prepared to act quickly and decisively on their recommendations if they make sense to address the immediate challenge in front of us and the American people.

Finally, when the cost of oil does come down, we need the price at the gas stations—that they—what they charge at the pump—to come down as well.

For example, in the last 2 weeks, the price of oil has fallen by more than \$10 a barrel. Normally, this would reduce the cost at the pump about 25 cents a gallon. Yet, so far, gas stations have only reduced prices by a few cents a gallon. Some haven't reduced prices at all.

I've heard plenty of explanations from companies and economists about why it normally takes time for these price reductions to reach the consumer. I might note that when the price of a barrel of oil goes up, it doesn't make—take much time for the price at the pump to go up.

So let's be honest with one another. My message is simple. To the companies running gas stations and setting those prices at the pump: This is a time of war, global peril, Ukraine. These are not normal times.

Bring down the price you are charging at the pump to reflect the cost you are paying for the product. Do it now. Do it today. Your customers, the American people, they need relief now.

So let me summarize. Today I'm calling for a Federal gas tax holiday, State gas tax holiday, for [or]* the equivalent relief to consumers; oil companies to use their profits to increase refining

* White House correction.

capacity rather than buy back their own stock; gas stations to pass along the decree—excuse me, not the decree, but the decrease in oil prices to lower prices at the pump.

And together, these actions could help drop the price at the pump by up to \$1 a gallon or more. It doesn't reduce all of the pain, but it would be a big help. I'm doing my part. I want the Congress, the States, and the industry to do their part as well.

And let's remember how we got here: Putin invaded Ukraine. Putin invaded Ukraine with 100,000 forces. Just look at the facts: Since the start of the war in Ukraine this year, gas prices have risen by almost \$2 a gallon in the United States and sometimes more, around the world.

But it wasn't just Putin's invasion of Ukraine. It was the refusal of the United States and the rest of the free world to let Putin get away with something we haven't seen since World War II.

I said at the time: Siding with Ukraine during the most serious aggression in Europe since World War II—defending freedom, defending democracy—was not going to go without a cost for the American people and the rest of the free world. We were going to have to pay a price as well: in the cost of military equipment, economic assistance, humanitarian relief, and sanctioned Russian banking industries.

Russia is also the largest—one of the largest oil producers in the world. We cut off Russian oil into the United States, and our partners in Europe did the same, knowing that we would see higher gas prices.

We could have turned a blind eye to Putin's murderous ways, and the price of gas wouldn't have spiked the way it has. I believe that would have been wrong. I believed it then—I believed then, and I believe now: The free world had no choice.

America could not stand by, and the West could not have stood by—although some suggested at the time—and just watch Putin's tanks roll into Ukraine and seize a sovereign country. If we did stand by, Putin wouldn't have stopped. Putin would have kept going, and we'd face an even steeper price.

And it wasn't just me. The American people understood. The American people rose to the moment. The American people did what they always have done: defend freedom around the world. They chose to stand with the people of Ukraine.

We had near unanimous support in the Congress—Democrats, Republicans, and Independents—for supporting Ukraine, knowing full well the cost. So, for all those Republicans in Congress criticizing me today for high gas prices in America, are you now saying we were wrong to support Ukraine? Are you saying we were wrong to stand up to Putin? Are you saying that we would rather have lower gas prices in America and Putin's iron fist in Europe? I don't believe that.

Look, I get the easy politics of the attack. I get that. But the simple truth is, gas prices are up almost \$2 a gallon because of Vladimir Putin's ruthless attack on Ukraine, and we wouldn't let him get away with it. And we're doing everything we can to reduce this pain at the pump now.

And if those experiences has shown us anything, it's that we need to grow and harness more energy here at home. Let's lower the price of electric vehicles so we never have to pay at the pump in the first place.

Major auto companies are preparing for a 50 percent of future sales to be electric vehicles by 2030, 100 percent by 2035. We're already building secure supply chains to build these electric vehicles here in America.

And we're investing almost \$100 billion in public transit and rail, for all the studies show that it will take millions of cars off the road and significantly reduce pollution if there's a serious transportation system available.

Let's keep accelerating our deployment of homegrown resources—sources of energy like solar and wind and nuclear and hydrogen and carbon-capture storage—and keep developing battery technologies so we can store that power we need when the sun doesn't shine or the wind doesn't blow.

Folks, let's make sure we're never again forced to pay the price of a menacing dictator halfway around the world. We can deal with the—this immediate crisis of high gas prices and still seize the clean energy future. We're Americans. We can do both. We have the most qualified people in the world.

Let me close with this. Even as we lead the world in defending democracy and standing up to a brutal autocrat, there are actions we can take to help American families now. We have taken them. We are taking them: the Federal gas tax holiday, State gas tax holiday; Bringing back refineries, putting them back online.

We just have to keep going. I promise you I'm doing everything possible—everything possible—to bring the price of energy down, gas prices down. And I want to make sure we all work on this together.

May God bless you all, and may God protect our troops. Thank you very much.

[At this point, several reporters began speaking at once.]

Q. Mr. President, how will this affect the Highway Trust Fund?

NOTE: The President spoke at 2:03 p.m. in the South Court Auditorium of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Gov. Edward M. "Ned" Lamont, Jr., of Connecticut; Gov. Kathleen C. Hochul of New York; Gov. Jay R. "J.B." Pritzker of Illinois; and Gov. Jared S. Polis of Colorado; former President Donald J. Trump; and President Vladimir Vladimirovich Putin of Russia.

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Names: Granholm, Jennifer M.; Hochul, Kathleen C.; Lamont, Edward M. "Ned," Jr.; Polis, Jared S.; Pritzker, Jay R. "J.B."; Putin, Vladimir Vladimirovich; Trump, Donald J.; Walz, Timothy J.

Subjects: ; Budget, Federal : Deficit and national debt; Colorado : Governor; Connecticut : Governor; Diseases : Coronavirus, domestic prevention efforts; Economy, national : Improvement; Energy : Alternative and renewable sources and technologies :: Promotion efforts; Energy : Domestic production, promotion efforts; Energy : Electric and hybrid vehicles, promotion efforts; Energy : Ethanol and biofuels; Energy : Gasoline, oil, and natural gas costs; Energy, Department of : Secretary; Energy, Department of : Strategic Petroleum Reserve; Illinois : Governor; Infrastructure, national improvement efforts; Minnesota : Governor; New York : Governor; Petroleum Exporting Countries (OPEC), Organization of the; Russia : International and U.S. sanctions; Russia : President; Russia : Ukraine, airstrikes and invasion; Ukraine : Russian airstrikes and invasion; Ukraine : U.S. assistance.

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